



## CAFTA Fails

**Prepared by the Office of Congressman Sherrod Brown**

May 28 will mark the 1-year anniversary of when the President signed CAFTA. Because CAFTA is so unpopular and trade policy in this country is so wrong-headed, it has not come up for a vote.

The last four FTAs Congress voted on averaged about 50 days between the president's signature and coming to the floor of the House.

Democrats support free and fair trade, and we support a trade agreement with the CAFTA nations. But we don't support the misguided agreement USTR negotiated.

We all need to remember CAFTA is non-amendable—no side agreements, no side deals. If it's not in the core text of the agreement, it's meaningless.

Democrats had no input on CAFTA—not a single Democrat, including members of the Ways and Means committee, was given a seat at the table while CAFTA was being negotiated.

One of the arguments we hear a lot is that the CAFTA nations are large markets for U.S. goods. That is interesting, especially when you do the math.

The combined purchasing power of the Central American nations in CAFTA is the same as that of Columbus, Ohio, or New Haven, Connecticut.

CAFTA nations are not robust export markets—the average salary of a Nicaraguan worker is \$2,300 a year, \$191 a month. Nicaraguan workers cannot afford to buy cars made in Ohio or Michigan.

They cannot afford cuts of U.S. prime beef at \$13 per pound. They cannot afford to buy software made in Seattle.

Ask a CAFTA supporter, what American-made product can a Central American worker purchase who is earning less than \$200 a month?

CAFTA supporters will not answer these questions. They cannot.

If corporations were serious about creating robust export markets for American goods, they would be working to ensure CAFTA nations' labor standards increased. Only when Central American laborers earn enough to buy U.S. goods, will trade be successful.

CAFTA expands the failed trade policies of the North American Free Trade Agreement to Central America.

In 1992, the United States had a \$38 billion trade deficit. Last year, a dozen years later, the United States had a \$618 billion trade deficit: from \$38 billion to \$618 billion trade deficit.

The more you look at the face of CAFTA, the better you can see who will benefit and who will pay the price if Congress passes this agreement.

Trade pacts like NAFTA and CAFTA enable companies to go overseas, exploit cheap labor in the developing world, and then import their products back into the United States. That is why we have a \$618 billion trade deficit. That is why our foreign debt stands at \$2.5 trillion.

When the world's poorest workers can buy American products, rather than make them, then we will know that our trade policies are finally succeeding. Unfortunately, the CAFTA before us will not succeed in doing that.